

## **STATEMENT OF PURPOSE**

### **RS23678**

Pharmacy Benefits Managers (PBMs) are middlemen that were originally designed to reduce administrative costs for insurers, validate patient eligibility, administer plan benefits, as well as negotiate costs between pharmacies and health plans. Today PBMs have control over almost all aspects of the prescription drug transactions, with the three largest PBMs managing drug benefits for approximately 95% of Americans with prescription drug coverage.

The purpose of this legislation is to 1) establish minimum and uniform standards and criteria for the audit of pharmacy records by or on behalf of PBMs and other authorized entities; 2) establish a Pharmacy Benefit Manager Transparency Act that includes a registration and disclosure of information requirements; and 3) establish transparency of the covered prescription drug lists and the methodology that determines how reimbursement to the pharmacies is ultimately calculated.

### **FISCAL NOTE**

There is no fiscal impact. The legislation gives the Department of Insurance rulemaking authority to administer fees that would cover all costs.

#### **Contact:**

Pam Eaton  
Idaho Retailers Association and Idaho State Pharmacy Association  
(208) 342-0010